

2012 CHAMBER OF COMMERCE SPEECH

Changing Culture of Over Spending in Washington

Thank you for the warm welcome. It's great to be here with you today. Jeanie and I are grateful for your support. I want to thank the Chamber for granting me this opportunity to share with you some of my thoughts on this past year in Washington, and what is coming ahead in 2012. I also want to thank Senators Mark Udall and Michael Bennett for being represented here today. While my views on the role of the federal government often contrast with those of our two Senators, when it comes to fighting for Colorado, we have always worked closely together.

But generally, I think what is good for the nation, is good for Colorado – increased freedom, personal responsibility, smaller government, lower taxes, and a strong national defense. Those are the values I fought for in the Colorado Legislature and continue to champion in Washington.

Over the years, you have come to know me as a steadfast supporter of the tried-and-true principles that underpin American success. The drive, creativity, and ingenuity of the American people – in other words the private sector at its best – is what makes America great...not government intervention and regulation. If we can return to the basics by cutting spending and rolling back burdensome government regulations, we can unleash the private sector, get this economy growing again, and put Americans back to work.

I believe Washington should use the same honest, straight forward accounting that each of us uses around our kitchen table when we pay the bills each month. I believe, like Benjamin Franklin, that people who trade freedom for security will end up with neither. And, like Ronald Reagan, I believe that government's first duty is to protect the people, not run their lives.

Some have worked hard this past year to portray this principled approach we are taking in the U.S. House to get government under control as radical and extreme. Actually, it's the responsible thing to do.

Here's the real story.

This past year, House Republicans have fought vigorously to cut government spending. When we are borrowing more than forty cents of every dollar we spend, that is the responsible thing to do.

House Republicans supported a budget that would streamline and reform entitlement spending. When two-thirds of that government spending is on auto-pilot in the form of entitlements, that is the responsible thing to do.

House Republicans voted to repeal ObamaCare. When small businesses say that complying with government regulations is their top concern, and when everybody knows you can't give 30 million Americans free or subsidized health insurance without heavy costs, that is the responsible thing to do.

Do the parties have fundamental differences over the role of government?
Absolutely.

Does that make it harder to govern? Yes.

What does it all mean for the new year? Until we have another election, and we hear from the voters, we will see one party trying to control spending and one party trying to increase it. The result may very well be a stalemate where spending neither goes up nor down, which is the case with this current fiscal year's budget.

I am hopeful that the voters will send a message to the Senate and the White House in November that they are serious about getting control of spending, and that they will send more people to Washington who bring a responsible approach to government.

STATE OF ECONOMY/JOB CREATION/SPENDING

First, let's take a look at the state of our economy.

Frankly, the economy is miserable. Everyone has suffered to some extent. Some sectors, like real estate and new construction, have been hit especially hard.

The most recent jobs report showed the national economy created 200,000 new jobs in December. While this is certainly an improvement over recent months, it is

still sluggish. Even if that rate of growth could be sustained, we will not return to pre-recession normal rates of 5.2 percent unemployment until September of 2016!

In the first 23 months of this so-called recovery, there has been an average of only 23,000 jobs a month created. By way of comparison, during the same 23 month period of the Reagan recovery, an average of 286,000 jobs were added each month, a 12 to 1 ratio.

And let's be clear – government does not create jobs. Businesses in the private sector create jobs.

Government's role is to protect private property rights, enforce contracts, have stable fiscal and monetary policies, and not overtax and overregulate. This was the formula that made Ronald Reagan so successful.

Instead, what this Administration has introduced is crony-capitalism. That's where government picks the winners and losers, and taxpayers carry all the risk of loss while private parties reap all the gains.

It hasn't worked.

Earlier this month, President Obama requested another increase to the debt ceiling limit – boosting the nation's borrowing authority to \$16.4 trillion. I voted to disapprove this request. I will not be part of adding to our nation's crushing debt.

When the President took office, the national debt was \$10.6 trillion. By the end of this year, our debt is expected to reach \$16.4 trillion -- an increase of nearly 60 percent. It is the most rapid increase in debt under any U.S. president, and cannot continue.

The federal government is spending more per household than ever before. Since 1965, spending per household – (adjusting for inflation) -- has grown by nearly 162 percent, from \$11,431 in 1965 to \$29,401 in 2010.

This kind of spending and debt threatens our nation's long term prosperity.

Let's briefly consider the case of Greece.

Just two years ago their debt-to-gross domestic product ratio was 101 percent.

Economists have found that when the government debt-to-GDP ratio rises above 90 percent, it lowers the future potential GDP of that country by more than 1 percent. It also creates a slow-growth, high-unemployment economy.

Today Greece's debt-to-GDP ratio is 183 percent.

Two years ago, the United States' debt-to-GDP ratio was 88 percent. Today, we have crossed the tipping point that economists warn of, and we are at 101 percent.

My Republican colleagues and I in the House have fought at every opportunity to cut this excessive spending and borrowing. We have changed the conversation in Washington to cutting, but we have a long way to go to get spending under control.

This notion that Republicans are somehow being unreasonable in our demands to cut spending is ridiculous. The House of Representatives tried to cut spending in significant ways, but the unfortunate truth is -- a do-nothing Senate has prevented us from making serious spending cuts and reforms.

DEFENSE CUTS

However, there is one and only one area of government the President is willing to cut -- defense.

Former Secretary of Defense Robert Gates directed the Department of Defense to find \$178 billion in "voluntary" defense savings. This will hit Colorado Springs this year when civilian employees at some of our local bases start getting cut.

However, I would like to assure you, that according to the most recent briefings with senior Army leaders, plans to bring an additional 2,700 troops to Fort Carson in 2014 as part of a new combat aviation brigade are still on track. Fort Carson is still set to get \$238.6 million for the first phase of construction in support of the new 13th Combat Aviation Brigade.

Reasonable people agree that defense can and should play a role in helping reduce our national debt. But it should not be the only place where we look for savings.

Not all government spending is created equal, and the Constitution is clear that Congress' primary obligation is to defend our nation.

In coming years, the President wants even larger cuts to defense -- ones that I believe will fundamentally erode our war-fighting capability.

The 2011 Budget Control Act -- a bill I opposed last August -- eliminates \$487 billion from defense spending over 10 years.

That same bill created the so-called Super Committee that fizzled last fall when Members couldn't agree to modest, reasonable cuts to spending.

As a result of that failure, national security spending could face automatic, across-the-board cuts of an additional \$50 billion in cuts per year for the next ten years, for a total of about half a trillion dollars.

This is on top of the other cuts already in place.

Bottom line: over the next decade our defense could be cut by more than 1 trillion dollars. This would bring defense spending to its lowest levels, when measured by GDP, in our modern history.

Our war-fighting capabilities would be decimated. Essentially, our sailors, soldiers, airmen, and Marines will fight with tanks, airplanes, and ships that, in some cases, their grandparents took to war.

According to Deputy Defense Secretary Ashton Carter, under Mr. Obama's plan "we will have over the next four years a reduction in total defense spending as rapid as any we experienced after Vietnam or after the Cold War."

Even the Washington Post concedes that these drawdowns are -- quote - almost universally regarded as having been unsustainable and shortsighted - unquote.

The United States of America is the greatest force for freedom that the world has ever known...a freedom that was bought and paid for with our national treasure and the sacrifices of the men and women of our Armed Forces. We therefore have a profound responsibility to those who serve, as well as to those of us back home, to have the best defense in the world.

As John F. Kennedy said in his inaugural address, “For only when our arms are sufficient beyond doubt can we be certain beyond doubt that they will never be employed.”

We are at a strategic turning point...and I truly hope we are not turning in the wrong direction. We have complex and growing challenges across the globe. They are not going away and they will demand and require U.S. leadership.

The size of our defense budget should be driven by our strategy not the other way around. The President’s recently announced Defense Strategy was an afterthought. He had already ordered the defense cuts and only after pressure from senior military advisors did he put out a strategy that was clearly based on budget cuts, not by the threats we will face as a nation.

President Reagan’s words in 1986 still hold true today, “Peace does not exist of its own will. It depends on us, on our courage to build it and guard it and pass it on to future generations.”

I am committed to doing everything humanly possible to ensure we have a military so strong that no one would even think of challenging it.

I have co-sponsored a bill with the Chairman of the House Armed Services Committee, Buck McKeon, to protect our military from the half-a-trillion in across-the-board defense cuts that are scheduled to take effect a year from now. Instead of gutting defense, our bill trims the federal bureaucracy in Washington.

Unfortunately, President Obama has vowed to veto any bill that attempts to stop these across-the-board cuts to defense spending.

HOUSE ACCOMPLISHMENTS 2011

Last fall, the House, the Senate, and the President came together and agreed on three free trade agreements.

Agreements with Colombia, Panama, and South Korea will help grow America's economy and create jobs. At the same time, we must find ways to prevent countries like China from stealing our intellectual property, which is both a defense and an economic crisis.

In Colorado, almost 67,000 jobs are directly tied to exports. The Colorado Springs area alone exported \$1.3 billion in goods.

The President also worked with the House to repeal an onerous provision in ObamaCare that would have burdened small businesses with excessive new paperwork.

This past year, the House passed more than 30 bipartisan bills aimed at protecting job creators from tax increases, rolling back job-killing regulations, promoting American energy independence, and generally creating a better environment for job creators. Unfortunately, these are all sitting in the Senate, where Harry Reid has a deliberate policy not to hear House legislation.

We also passed a common sense budget we call the Path to Prosperity. Our budget called for some tough choices including entitlement reform and other cuts to federal spending.

Republican reforms would permanently strengthen Medicare so future generations for Americans can count on the program being there when they retire. No one 55 or older would even see any changes.

We voted to cut about \$6 trillion in government spending over the next decade – forcing government to live within its means and allowing hardworking American families to prosper.

During the first month of our new majority, House Republicans including me voted to repeal President Obama's job-destroying healthcare bill.

Finally, the House passed the Cut, Cap, and Balance bill last summer to cut spending immediately, to enforce spending caps, and to require Congress to send a Balanced Budget Amendment to the states for ratification.

That common sense amendment to the Constitution failed to get the required two-thirds majority in the House, although I certainly supported it. I will continue to

fight for a Balanced Budget Amendment in Congress that we can pass and send to the states.

2012 LEGISLATIVE PRIORITIES

One of my top priorities in Washington is to continue to cut government spending.

Earlier this month I introduced a straightforward, no-gimmicks bill that would require both Houses of Congress to pass a budget before borrowing any more money, the Budget Before Borrowing Act.

Some of you may be shocked to learn that the Senate has not passed a budget in over 1000 days. It is hard for us to work together to address the nation's problems when even the basic things like budgeting get ignored. It is bad enough to borrow like there is no tomorrow. But to do so without even a budget in place is simply wrong. My bill would stop this madness.

I will also continue to push for more domestic energy production – as a way to lower our energy costs, increase our energy security, and create high-paying jobs here in America.

President Obama recently decided to reject the permit application for the Keystone XL pipeline on the grounds that it is - quote - not in the national interest - unquote.

This is a real blow for America's middle class. This massive energy project would create 20,000 direct, real jobs for Americans, and 100,000 indirect jobs. It would spur more than \$20 billion in new spending for our struggling economy.

Also, as Chairman of the Energy and Mineral Resources subcommittee in the House, I introduced a bill earlier in this Congress, the PIONEER Act, that would open access to the one trillion barrels of oil contained in U.S. oil shale. It would also create well paying American jobs, and generate new revenue without raising taxes on families and small businesses.

This coming year, I will also continue to push another of my energy bills – the National Strategic and Critical Minerals Policy Act of 2011.

This legislation will address the increased demands worldwide for strategic and critical minerals. It would require the government to do a nationwide survey of our domestic supplies, review the United States' ability to meet our growing minerals needs, and identify the obstacles that are hindering us from domestic development of those mineral resources.

Strategic and critical minerals are an essential part of Americans' everyday lives and are an essential part of our technological future.

The United States – including Colorado -- is blessed with an abundance of these important minerals, and has some of the largest known resources in the world.

Yet, despite these resources and the growing need for domestic supplies, American mineral exploration and production has come to a standstill over the last two decades while foreign mineral exploration has exploded.

Today, the United States relies on foreign countries like China for over half of our non-fuel mineral materials and is entirely dependent on foreign sources for rare earth metals. In fact, China currently controls 97 percent of the entire world's rare earths supply.

We can and must reduce our dependence on foreign energy and mineral sources.

This will promote our national security and help create American jobs.

CLOSING

In closing, I want to thank you for the opportunity to serve you in Congress. It is truly an honor. Recently, as I drove past the Capitol on a foggy night in Washington, I looked up and saw the Capitol dome shrouded in mist. It was beautiful, even awe-inspiring. Despite the rough-and-tumble nature of government in a divided Congress, I believe in democracy and in the ability of free people to govern themselves.

To quote Winston Churchill, democracy is the worst form of government except for all the others.

Washington can be frustrating, but it is never dull. I thank you for allowing me to serve you and to be your voice in our great republic. God bless America.